



Home > Media centre > Media releases > Employment and hours fall as lockdowns increase

# Employment and hours fall as lockdowns increase

Media Release

Released 16/09/2021

 **Source:** [Labour Force, Australia, August 2021](#)

Seasonally adjusted employment fell by 146,000 people (1.1 per cent) and hours worked dropped by 3.7 per cent in August 2021, according to the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, head of labour statistics at the ABS, said the latest data covered the first two weeks of August, which included the continued lockdown in New South Wales, new lockdowns in Victoria, Queensland and the Australian Capital Territory, and a series of changes in restrictions in other parts of the country.

"Labour market changes in New South Wales continued to have a large influence on the national employment and hours worked figures. In August, there were big falls in New South Wales in both employment (-173,000) and hours worked (-6.5 per cent)."

"The large falls in employment and hours in New South Wales in August followed falls in July (37,000 and 7.0 per cent), with employment and hours down by 210,000 people and 13.0 per cent since the beginning of the lockdown in late June."

Other states and territories that were in lockdown for part of the first two weeks of August also recorded large falls in hours worked, including Victoria (-3.4 per cent), Queensland (-5.3 per cent) and the Australian Capital Territory (-2.5 per cent).

## Employment, unemployment and participation

The national participation rate fell by 0.8 percentage points to 65.2 per cent, following a 0.2 percentage point fall in July. This was underpinned by a large drop in the New South Wales

participation rate, down 2.5 percentage points, following a 1.0 percentage point fall in the previous month.

"The large fall in the national participation rate reflects a large fall in both employment and unemployment (146,000 and 22,000) in August. The relatively large fall in unemployment, which accounted for around 13 per cent of the 168,000 person fall in the total labour force, meant that the unemployment rate fell by 0.1 percentage points to 4.5 per cent," Mr Jarvis said.

"The fall in the unemployment rate reflects a large fall in participation during the recent lockdowns, rather than a strengthening in labour market conditions."

"Throughout the pandemic we have seen large falls in participation during lockdowns — a pattern repeated over the past few months. Beyond people losing their jobs, we have seen unemployed people drop out of the labour force, given how difficult it is to actively look for work and be available for work during lockdowns. This has also coincided with a temporary pause in [mutual obligations](https://www.servicesaustralia.gov.au/individuals/topics/mutual-obligation-requirements/29751#a2) (<https://www.servicesaustralia.gov.au/individuals/topics/mutual-obligation-requirements/29751#a2>) for jobseekers living in lockdown areas."

"The fall in participation and unemployment in August 2021 echoes what we saw with the tight lockdown conditions in Victoria last year, during the second wave of infections. At that time, Victoria's participation rate fell to 62.8 per cent in September 2020 (down 1.7 percentage points from June 2020, and 3.5 percentage points from March 2020). Over this period unemployment also fell, down from 259,000 in June to 230,000 in September."

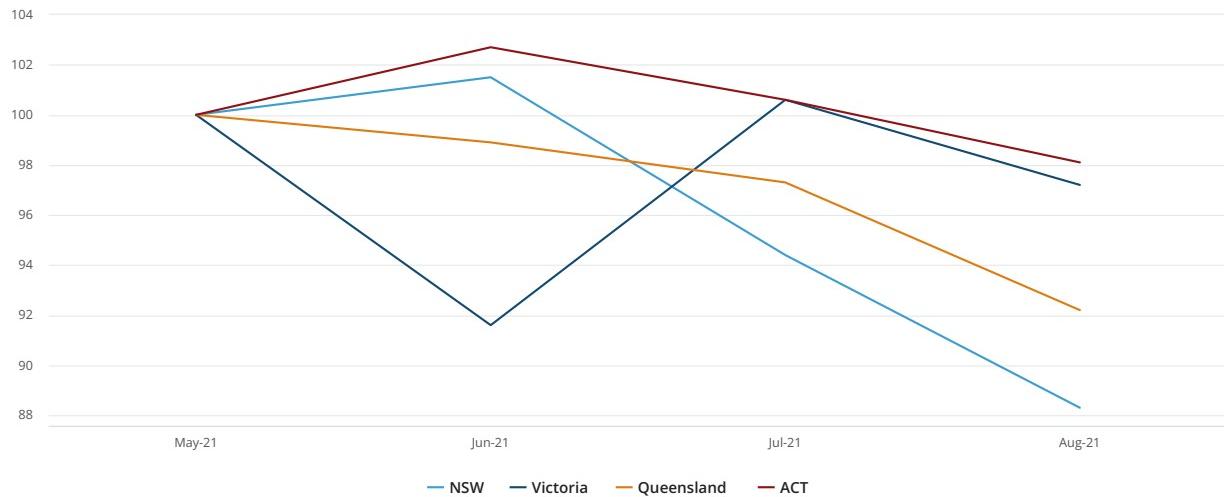
## Hours worked and underemployment

Nationally, hours worked decreased by 3.7 per cent in August, considerably more than the 1.1 per cent fall in employment. This highlights the extent to which people who experienced new or continuing lockdowns had reduced hours or no work, without necessarily losing their jobs.

"Hours worked data continues to provide the best indicator of the extent of labour market impacts and recovery from lockdowns," Mr Jarvis said.

"It shows that hours in New South Wales fell sharply over the lockdown, down by 13.0 per cent between June and August. The data for Victoria also shows how quickly hours can recover, coming out of a lockdown."

## Hours worked index



"There are always some employed people who are temporarily working reduced hours or no hours in a given month, but the current wave of lockdowns has seen this become more common. Compared with August 2019, there was an extra 1.2 million employed people who worked reduced hours for economic and other reasons in August 2021, including 532,000 who worked no hours for those reasons," Mr Jarvis said.

The large fall in hours worked saw the underemployment rate increase for the third consecutive month, up 1.0 percentage point to 9.3 per cent in August. This was underpinned by increases in the underemployment rates in New South Wales (up 0.9 percentage points to 10.2 per cent), Victoria (up 0.9 percentage points to 9.1 per cent), Queensland (up 0.7 percentage points to 8.4 per cent), and the Australian Capital Territory (up 0.7 percentage points to 7.1 per cent).

Today's release includes additional analysis of hours worked, including people working zero hours, and an analysis of employment and hours worked at the state and territory level.

Further information, including regional labour market information, will be available in the

upcoming August 2021 issue of [Labour Force, Australia, Detailed \(/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release\)](/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release), due for release on Thursday 23 September 2021.

The ABS would like to thank Australians for their continued support in responding to our surveys during such a difficult time.

## Media notes

- The August survey reference period was 1 August to 14 August 2021. The September survey reference period is 29 August to 11 September 2021.
- In order to be unemployed, people must be actively looking for work, and available to start work during the reference week.
- Information on how COVID-19 support is reflected in Labour Force statistics can be found in the following note (<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release#survey-impacts-and-changes>).
- The numbers in the media release are rounded to the nearest thousand people. For more detailed numbers see the data downloads tab in the [Labour Force, Australia \(/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release\)](/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release) publication.
- The ABS has suspended publishing trend series for the COVID-19 period.
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